

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 159

AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 27-1-37.3 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 37.3. Third Party Rights and Responsibilities Under Health Care Contracts

Sec. 1. Unless otherwise specified in this chapter, the definitions in IC 27-8-11-1 apply throughout this chapter.

Sec. 2. As used in this chapter, "affiliate" has the meaning set forth in IC 27-1-25-1.

Sec. 3. As used in this chapter, "contractor" refers to a person with a primary business purpose of entering into health care contracts with providers.

Sec. 4. As used in this chapter, "covered individual" means an individual who is entitled to coverage under a health plan.

Sec. 5. (a) As used in this chapter, "health plan" means a plan through which coverage is provided for health care services through insurance, prepayment, reimbursement, or otherwise. The term includes the following:

- (1) An employee welfare benefit plan (as defined in 29 U.S.C. 1002 et seq.).**
- (2) A policy of accident and sickness insurance (as defined in IC 27-8-5-1).**

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- (3) An individual contract (as defined in IC 27-13-1-21) or a group contract (as defined in IC 27-13-1-16).
- (b) The term does not include the following:
- (1) Accident-only, credit, Medicare supplement, long term care, or disability income insurance.
 - (2) Coverage issued as a supplement to liability insurance.
 - (3) Worker's compensation or similar insurance.
 - (4) Automobile medical payment insurance.
 - (5) A specified disease policy issued as an individual policy.
 - (6) A short term insurance plan that:
 - (A) may not be renewed; and
 - (B) has a duration of not more than six (6) months.
 - (7) A policy that provides a stipulated daily, weekly, or monthly payment to an insured during hospital confinement, without regard to the actual expense of the confinement.

Sec. 6. As used in this chapter, "health care contract" means a contract between a person and a provider specifying the rights and responsibilities of the:

- (1) person; and
- (2) provider;

in relation to payment for and delivery of health care services to a covered individual.

Sec. 7. A contractor may not lease, rent, or otherwise grant access to a provider's health care services under a health care contract unless the contractor complies with one (1) of the following:

- (1) The third party to which the access is granted is:
 - (A) an employer or another entity providing coverage for health care services to the employer's or entity's employees or members and the entity has a contract with the contractor or the contractor's affiliate for the administration or processing of claims for payment or service provided under the health care contract; or
 - (B) an affiliate or a subsidiary of the contractor or providing administrative services to or receiving administrative services from the contractor or the contractor's affiliate or subsidiary.
- (2) The:
 - (A) health care contract specifically states that the contractor may lease, rent, or otherwise grant access to the provider's health care services under the health care contract;

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(B) third party accessing the health care contract is:

- (i) a payer or third party administrator or another entity that administers claims on behalf of the payer;**
- (ii) a preferred provider organization or preferred provider network, including a physician-hospital organization; or**
- (iii) an entity engaged in the electronic claims transport between the contractor and the payer; and**

(C) third party that is granted access to the provider's health care services under the health care contract is obligated to comply with all the applicable terms of the health care contract.

Sec. 8. (a) A contractor that leases, rents, or otherwise grants access to a provider's health care services as described in section 7(2) of this chapter shall maintain an Internet web page or a toll free telephone number through which the provider may obtain a listing, updated at least semiannually, of the third parties to which access to the provider's health care services has been granted.

(b) A contractor shall, at the time a health care contract is entered into with a provider, identify and provide any preferred provider organization, preferred provider network, physician hospital organization, or other entity identified in section 7(2)(B)(ii) of this chapter that is known at the time of contracting, to which the contractor will grant access to the provider's health care services under section 7 of this chapter.

Sec. 9. A contractor that leases, rents, or otherwise grants access to a provider's health care services under section 7 of this chapter shall ensure that an explanation of benefits or remittance advice furnished to the provider that delivers health care services under the health care contract identifies the contractual source of any discount that applies.

Sec. 10. Subject to applicable continuity of care requirements, a third party's right to exercise a contractor's rights and responsibilities under a health care contract terminates on the date that the health care contract is terminated.

Sec. 11. A health care contract may provide for arbitration of disputes arising under this chapter.

SECTION 2. [EFFECTIVE JULY 1, 2008] IC 27-1-37.3, as added by this act, applies to a health care contract (as defined in IC 27-1-37.3-6) that is entered into, amended, or renewed after June 30, 2008.

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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